

Adopted	Rejected
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COMMITTEE REPORT

YES:	25
NO:	0

MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred Senate Bill 389, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 taxation.
- 4 Page 1, between the enacting clause and line 1, begin a new
- 5 paragraph and insert:
- 6 "SECTION 1. IC 36-7-26-1 IS AMENDED TO READ AS
- 7 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. This chapter applies
- 8 to **the following:**
- 9 (1) A city having a population of more than seventy-five thousand
- 10 (75,000) but less than ninety thousand (90,000).
- 11 (2) A city having a population of more than ninety thousand
- 12 (90,000) but less than one hundred ten thousand (110,000).
- 13 SECTION 2. IC 36-7-26-14 IS AMENDED TO READ AS
- 14 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 14. (a) Whenever a

1 commission determines that the redevelopment and economic
 2 development of an area situated within the commission's jurisdiction
 3 may require the establishment of a district, the commission shall cause
 4 to be assembled data sufficient to make the determinations required
 5 under section 15 of this chapter, including the following:

6 (1) Maps and plats showing the boundaries of the proposed
 7 district.

8 (2) A complete list of street names and the range of street
 9 numbers of each street situated in the proposed district.

10 (3) A plan for the redevelopment and economic development of
 11 the proposed district. The plan must describe the local public
 12 improvements necessary or appropriate for the redevelopment or
 13 economic development.

14 **(b) For a city described in section 1(2) of this chapter, the**
 15 **proposed district must contain a commercial retail facility with at**
 16 **least five hundred thousand (500,000) square feet, and any**
 17 **distributions from the fund must be used in the area described in**
 18 **subsection (a) or in areas that directly benefit the area described**
 19 **in subsection (a).**

20 SECTION 3. IC 36-7-26-23 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 23. (a) Before the first
 22 business day in October of each year, the board shall require the
 23 department to calculate the net increment for the preceding state fiscal
 24 year. The department shall transmit to the board a statement as to the
 25 net increment in sufficient time to permit the board to review the
 26 calculation and permit the transfers required by this section to be made
 27 on a timely basis.

28 (b) There is established a sales tax increment financing fund to be
 29 administered by the treasurer of state. The fund is comprised of two (2)
 30 accounts called the net increment account and the credit account.

31 (c) On the first business day in October of each year, that portion of
 32 the net increment calculated under subsection (a) that is needed:

33 (1) to pay debt service on the bonds issued under section 24 of
 34 this chapter or to pay lease rentals under section 24 of this
 35 chapter; and

36 (2) to establish and maintain a debt service reserve established by
 37 the commission or by a lessor that provides local public
 38 improvements to the commission;

1 shall be transferred to and deposited in the fund and credited to the net
 2 increment account. Money credited to the net increment account is
 3 pledged to the purposes described in subdivisions (1) and (2), subject
 4 to the other provisions of this chapter.

5 (d) On the first business day of October in each year, the remainder
 6 of:

- 7 (1) eighty percent (80%) of the gross increment; minus
- 8 (2) the amount credited to the net increment account on the same
 9 date;

10 shall be transferred and credited to the credit account.

11 (e) The remainder of:

- 12 (1) the gross increment; minus
- 13 (2) the amounts credited to the net increment account and the
 14 credit account;

15 shall be deposited by the auditor of state as other gross retail and use
 16 taxes are deposited.

17 **(f) A city described in section 1(2) of this chapter may receive**
 18 **not more than fifty percent (50%) of the net increment each year.**
 19 **During the time a district exists in a city described in section 1(2)**
 20 **of this chapter, not more than a total of one million dollars**
 21 **(\$1,000,000) of net increment may be paid to the city described in**
 22 **section 1(2) of this chapter.**

23 ~~(f)~~ (g) The auditor of state shall disburse all money in the fund that
 24 is credited to the net increment account to the commission in equal
 25 semiannual installments on November 30 and May 31 of each year.

26 SECTION 4. IC 36-7-26-24 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 24. (a) The commission
 28 may issue bonds, payable in whole or in part, from money distributed
 29 from the fund to the commission, to finance a local public improvement
 30 under IC 36-7-14-25.1 or may make lease rental payments for a local
 31 public improvement under IC 36-7-14-25.2 and IC 36-7-14-25.3. The
 32 term of any bonds issued under this section may not exceed twenty (20)
 33 years, nor may the term of any lease agreement entered into under this
 34 section exceed twenty (20) years. The commission shall transmit to the
 35 board a transcript of the proceedings with respect to the issuance of the
 36 bonds or the execution and delivery of a lease agreement as
 37 contemplated by this section. The transcript must include a debt service
 38 or lease rental schedule setting forth all payments required in

1 connection with the bonds or the lease rentals.

2 (b) On January 15 of each year, the commission shall remit to the
3 treasurer of state the money disbursed from the fund that is credited to
4 the net increment account that exceeds the amount needed to pay debt
5 service or lease rentals and to establish and maintain a debt service
6 reserve under this chapter in the prior year and before May 31 of that
7 year. Amounts remitted under this subsection shall be deposited by the
8 auditor of state as other gross retail and use taxes are deposited.

9 (c) **The commission in a city described in section 1(2) of this**
10 **chapter may distribute money from the fund only for road,**
11 **interchange, and right-of-way improvements and for real property**
12 **acquisition costs in furtherance of the road, interchange, and**
13 **right-of-way improvements."**

14 Renumber all SECTIONS consecutively.

(Reference is to SB 389 as printed February 6, 2001.)

and when so amended that said bill do pass.

Representative Bauer